

**INVITATION TO PURCHASE STATE LAND
AT PUBLIC ORAL AUCTION
May 2, 2007**

On behalf of the Montana Department of Correction (DOC), the Department of Natural Resources and Conservation (DNRC), Trust Land Management Division, offers a parcel of land in Custer County for sale at public oral auction. Information and bid packet are available on the DNRC website at: <http://dnrc.mt.gov/trust/nontruststateland>. Contact Candace Durran for more information at 406-444-2883, or by email at cdurran@mt.gov, or at DNRC Real Estate Management Bureau, PO Box 201601, Helena, MT 59620-1601.

PROPERTY DESCRIPTION

OLD CAMPUS OF THE PINE HILLS SCHOOL, MILES CITY, CUSTER CO. MT
Containing 17.119 acres (more or less) and associated buildings, further described as:

A tract of land lying in the NW4NW4 of Section 35, Township 8 North, Range 47 East, more particularly described as follows: Beginning at a point on the north line of said Sec 35 lying S89°49'43"E, a distance of 59.93' from the NW corner of said section 35; thence continue easterly along said line, a distance of 895.70'; thence S00°24'24"E, a distance of 832.33'; thence N89°59'44", a distance of 339.58'; thence N02°21'48"E, a distance of 25.32'; thence N89°54'32"W, a distance of 1.50' to a witness corner; thence continue westerly along said line, a distance of 219.25'; thence N89°14'50"W, a distance of 346.31' to the easterly right-of-way line of Haynes Avenue; thence N00°04'09"W along said right-of-way line, a distance of 92.10'; thence N13°16'30"W along said right-of-way line a distance of 61.63'; thence N00°10'21"W along said right of way line, a distance of 520'; thence N13°57'32"E along said right of way line, a distance of 82.45'; thence N00°06'40"W along said right-of-way line, a distance of 52.66' to the POINT OF BEGINNING, containing 745,683 square feet or 17.119 acres, more or less.

The 17.119 acres including associated buildings will be sold as one parcel.

DEED RESTRICTIONS

The following deed restrictions apply to the property:

- Property not to be used for the purposes of gambling or the sale of alcohol.
- Buyer will install a security fence (at least 12 feet in height) between the south side of the corner property and the current Pine Hills campus as a barrier.

- Access to the property will not be allowed through the current Haynes Avenue access to Pine Hills. Two acceptable access points presently exist (an additional Haynes Avenue access and Leighton Boulevard).

APPRAISED VALUE/MINIMUM OFFER

The minimum bid of each property has been established by the Land Board as determined by a current appraisal and will be used as the minimum acceptable bid under the terms and conditions provided herein. The minimum bid reflects the known presence of asbestos in some of the buildings on the property. A report describing the presence of asbestos on the property is available upon request.

The minimum bid is \$390,000.00.

REAL PROPERTY TAXES

The State of Montana is exempt from paying real property taxes. The purchaser will be responsible for future real property taxes from the date of closing.

TERMS AND CONDITIONS OF SALE

AUCTION DATE, TIME, AND LOCATION

- May 2, 2007 9:00 a.m.
- Custer County Courthouse, 1010 Main St., Miles City, MT.

TERMS - Cash, ten percent (10%) earnest money deposit paid at the close of the auction will be applied to the purchase price. The entire balance of the purchase price must be paid in full at the time of closing. DNRC will set a closing date that is mutually agreeable to the purchaser and DNRC. Closing must be within 30 days of the auction.

OFFEROR QUALIFICATIONS -

- a. Persons must be at least 18 years of age in order to participate in the auction; and,
- b. Bids made by public employees must be in compliance with Standards of Conduct set forth in Title 2, Chapter 2, MCA.
- c. Pursuant to 77-1-113, MCA, State employees may be disqualified from participation in the auction.

SUBMITTING THE BID DEPOSIT - A bid deposit in the amount of \$1000 is required in the form of a cashier's check, money order or other certified funds, made payable to the Department of Natural Resources & Conservation. **Do Not Send a Personal Check.** Each Offer to Purchase and Bid Deposit Receipt must be made on the attached **OFFER TO PURCHASE AND BID DEPOSIT**

RECEIPT form and must be received by **Candace Durran at MT DNRC, P.O. Box 201601 Helena, Montana 59620-1601 on or before 5:00 p.m., April 27, 2007** to be considered. Offer to Purchase and Bid Deposit Receipt forms that are not signed and dated will be disqualified. Offers submitted without sufficient deposit will be disqualified.

DEADLINE - Offer to Purchase and Bid Deposit Receipt and bid deposit of \$1000.00 must be received by DNRC by 5:00 p.m. on April 27, 2007 (Offer Closing Date). All parties submitting a deposit are responsible for ensuring that their deposit is received by the Offer Closing Date. Deposits received after the Offer Closing Date will not be considered.

AUCTION PARTICIPANTS - Only those individuals submitting an Offer to Purchase and Bid Deposit Receipt and a bid deposit of \$1000 will be allowed to participate in the auction.

FORFEITURE OF BID DEPOSIT - A qualified bid participant(s) or designated representative(s) who fails to attend the bid auction for reasons other than good cause, as may be determined and approved by DNRC **in writing, prior to the auction date**; and/or who, in the event no other bids are received, fails to pay the minimum bid amount under terms and conditions contained herein, shall at the discretion of DNRC, be deemed to have forfeited the bid deposit to the State of Montana.

DISQUALIFICATION - Any of the following may, at DNRC's sole discretion, disqualify a participant at the auction, if the:

- a. Offer to Purchase and Bid Deposit Receipt is received without sufficient deposit amount.
- b. Offer to Purchase and Bid Deposit Receipt is not completed in full, signed and dated.
- c. Offer to Purchase and Bid Deposit Receipt is received after 5:00 p.m. on April 27, 2006.

SALE PROCEDURE - On the day of sale:

- a. Bidding will open at the minimum bid amount. Bid raises will only be accepted in increments of not less than \$25 until the property is sold to the highest bidder, who will be deemed to be the purchaser of the property.
- b. **Purchase Agreement.** Upon conclusion of the auction, the High Bidder (Purchaser) will be required to execute a "**Purchase Agreement,**" which will be submitted to DNRC with an earnest money deposit.
- c. **Earnest Money Deposit.** An earnest money deposit in the amount of **TEN PERCENT (10%)** of the high bid amount (rounded up to the nearest multiple of \$25) must be submitted to DNRC by the high bidder (purchaser) immediately following the auction and be **in the form** of a

Cashier's Check, Money Order, or other certified funds made payable to the **Department of Natural Resources and Conservation** or **DNRC. DO NOT BRING CASH!** The bid deposit from the purchaser shall be applied toward the purchase price of the property. Deposits shall be returned to the unsuccessful bidders within ten (10) business days of the auction.

- d. DNRC will set a closing date that is mutually agreeable to both parties provided that such date shall be within thirty (30) days of the sale. The balance of the purchase price of the property and any closing costs must be paid in full at closing made payable to DNRC in the form of a cashier's check, money order or other certified funds.

FORFEITURE OF EARNEST MONEY DEPOSIT - In the event that the purchaser fails to meet any or all of the terms and conditions contained in this "Invitation to Purchase," all monies which have been collected and credited toward the purchase price may be retained as liquidated damages and not as a penalty, and DNRC shall be free to accept the second high bidder as purchaser.

CLOSING COSTS - The purchaser shall be responsible for paying all closing costs. Closing costs may include, but are not limited to, recording fees, escrow fees, fees related to verification of deposit and credit, and administrative fees.

TITLE INSURANCE - DNRC does not warrant title to this property. Title shall be delivered at the time of closing by Grant Deed. Title insurance, if desired, will be the responsibility the purchaser.

CONVEYANCE - The parcel shall be conveyed by Grant Deed and shall be fully subject to all encumbrances, including but not limited to patents, easements, conditions, taxes, assessments, zoning regulations, rights-of-way, exceptions and restrictions of record, and reservations of oil, petroleum, gas, coal, ore, minerals, fissionable materials, geothermal resources, fossils or other rights (gaseous, liquid and solid) in and under the property. DNRC will send a copy of the deed to the Custer County Clerk & Recorder for recordation. The recorded deed will be sent by the county to the purchaser.

PARCEL INSPECTION - Interested parties are strongly urged to do an on-site inspection of the parcel and buildings prior to submitting an "Offer to Purchase." It is also recommended that offerors inspect all public records pertaining to these properties.

WARRANTIES - Purchaser assumes all responsibility and liability for the property, buildings, and any contents (i.e., asbestos, hazard mitigation, etc.). It is the purchaser's responsibility to examine the property and take such other steps as may be necessary to ascertain the exact character and location of the property and improvements. Purchaser assumes all responsibility and liability to comply with applicable law. In addition, DNRC makes no warranties, either

express or implied, nor assumes or retains any liability whatsoever, regarding the social, economic, safety, human health, or environmental aspects of the property, to include, without limitation, the soil conditions, water drainage, physical access, environmental mitigation, natural or artificial hazards which may or may not exist, or the merchantability, suitability or profitability of the property for any use or purpose. **This property is offered "AS IS".**

CONDITIONS - DNRC reserves the right to postpone or cancel this offering, in whole or in part, to change the minimum price of the parcel, or to withdraw parcel from this sale at any time prior to the sale, without notice. DNRC shall not be liable for any expenses incurred by any parties participating in this sale as a result of, but not limited to, a change in the minimum price, or withdrawal of the parcel from sale. The right is reserved to waive technical defects in this brochure.